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# Introduction to the Climate Registry

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**The Climate Registry**

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# Who we are

**MISSION:** To standardize and centralize high quality GHG data into a North American GHG registry to support voluntary and mandatory reporting programs

**BOARD:** 12 Canadian Provinces/Territories  
41 U.S. States and D.C.  
6 Mexican states  
4 Native Sovereign Nations

**MEMBERS:** 330 Members/Reporters



The Climate Registry



# Who are the Members?



The Climate Registry

# Regulatory Landscape

- Federal Actions
- Regional programs
- State-Level Action
- Other regulatory initiatives



# US Mandatory Federal Reporting

- New federal mandatory reporting rule:
  - Draft rule released by EPA on March 10<sup>th</sup>, 2009
  - Economy-wide, upstream and downstream sources
  - First reporting year 2010 due March 2011
  - Comments on draft rule due to EPA on June 9<sup>th</sup>, 2009



# EPA's Approach

- Traditional Clean Air Act regulatory approach
- Sectors and sources covered by CAA
- Primarily Facility-based, but some cases where “corporate-level” is used ( i.e., fuel importers, natural gas distribution companies, vehicle and engine manufacturers report emissions rates)
- Facilities emitting > 25,000 mt of CO<sub>2</sub>e/year
- State programs are not pre-empted



# Federal Action on Climate Change: Federal Legislation

- **House Energy & Commerce Committee – Energy & Climate Change Bill**
  - ❑ Waxman-Markey bill addresses Clean Energy, Energy Efficiency, Cap-and-trade and GHG Reduction strategies
  - ❑ Proposes 20% reduction in GHGs by 2020; 83% reduction by 2050 (baseline year 2005)
  - ❑ Mandatory reporting for stationary sources emitting 10,000 mt CO<sub>2</sub>e/year and requirement for mobile source fleets emitting > 25,000 mt CO<sub>2</sub>e/year to report
  - ❑ State/Regional Cap-and trade-programs would be pre-empted 2012-2017.



# Federal Action on Climate Change: Securities and Exchange Commission

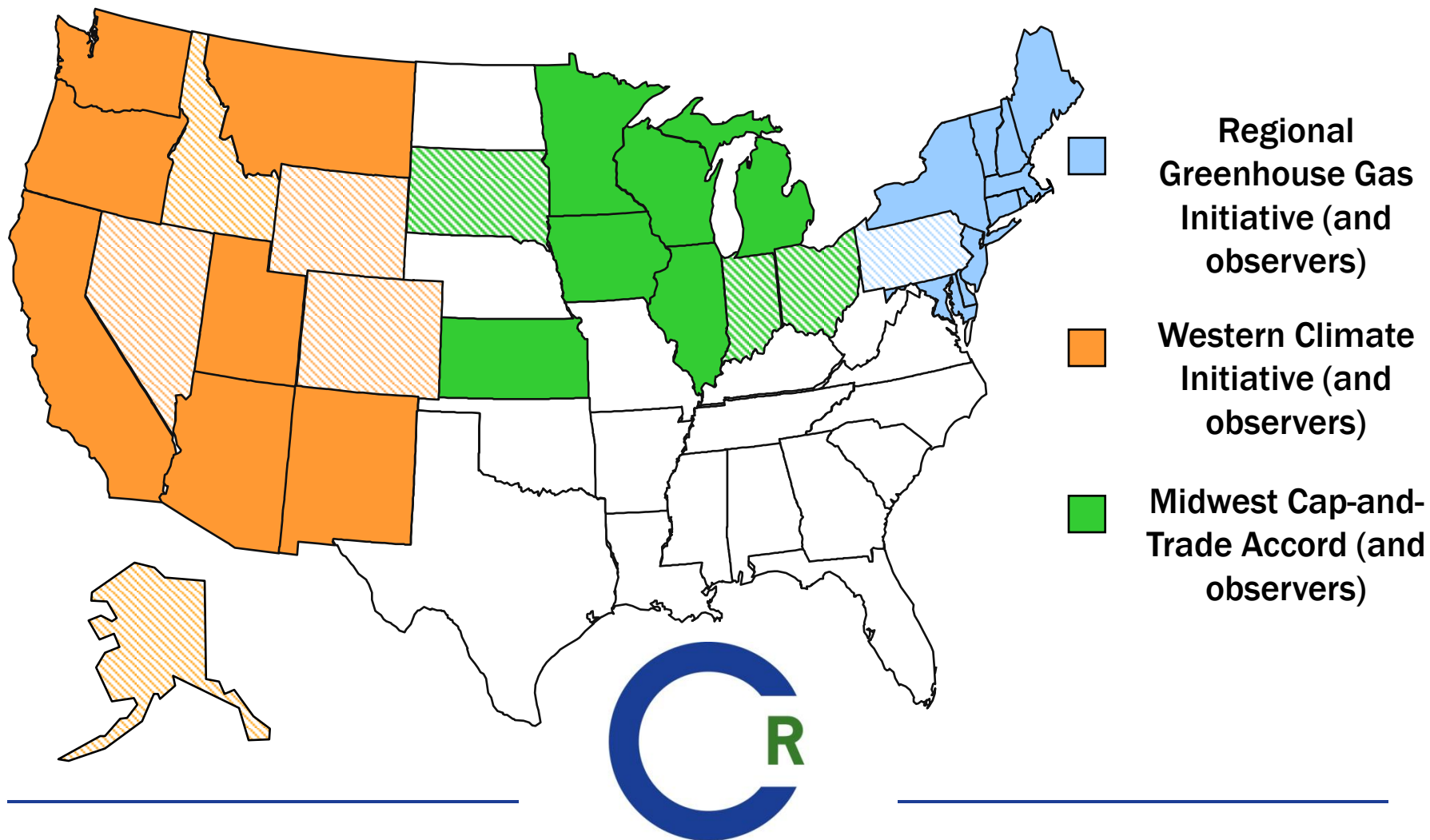
- SEC is under pressure to require that companies disclose information related to GHG emissions and climate change planning.
  - Coalition of environmental groups, state officials, investment advisers and institutional investors petitioned the SEC for "an interpretive release clarifying that material climate-related information must be included in corporate disclosures under existing law." (2007 and again 2008)
  - New York State Attorney General Andrew Cuomo issued subpoenas to five energy companies reporting inadequate information regarding climate change risk. Recently settled companies, Xcel Energy Inc. and Dynegy, Inc., have agreed to disclosing climate change risk in their SEC filings.





# State-based GHG trading is expanding

*Large % of US in process of creating trading programs (Cap & Trade)*



# Mandatory State/Regional Reporting

- Many states are implementing mandatory reporting and working with the Registry
  - Requirements for mandatory programs will be determined by the states
    - Sources
    - Thresholds, etc
    - Scope 1 and/or 2 emissions
    - Reporting Infrastructure (Common Framework, Data Exchange)
  - Calculation Methodologies will be consistent



# The Registry's Voluntary Program

- Philosophy: “best practices” reporting
- Based on international and state/provincial standards
- Policy Neutral
- Reporting Requirements
  - All GHG emissions in North America
  - Corporate or “Entity-wide” emissions at the facility-level
  - All six GHGs
  - All direct emissions and indirect emissions
  - ***Annual 3<sup>rd</sup> Party Verification***

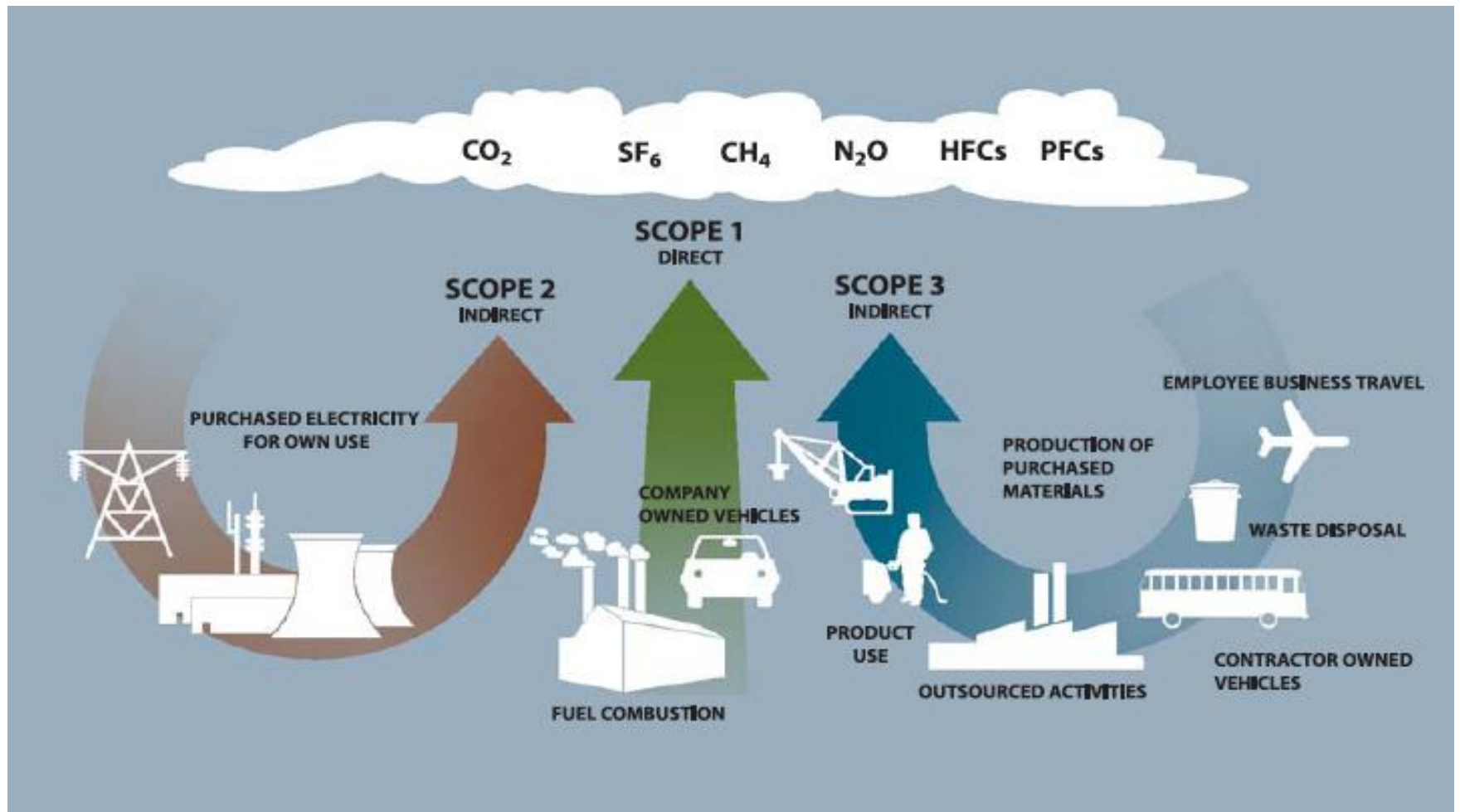


# How to participate:

## Step One – Gather data (1)

- ❑ Input data by facility into web-based software
- ❑ Annually, on calendar year basis
- ❑ All 6 Kyoto gases (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>)
- ❑ Direct: stationary, mobile, process and fugitive
- ❑ Indirect: electricity and steam
- ❑ Estimation permitted for up to 5% of emissions
- ❑ Operational control, financial control or equity share





# How to participate:

## Step One – Gather data (2)

- ❑ Geographic scope: All North America
  - Transitional reporting: At least all CO<sub>2</sub> for at least one state/province for first two years of participation
- ❑ Historic data may be submitted
  - Must be third-party certified
  - Minimum: CO<sub>2</sub> from all stationary sources for one state/province
- ❑ Tracking mostly through utility bills and vehicle fuel



# How to participate:

## Step Two – Verify

- ❑ Have your data reviewed by an approved independent verifier annually
- ❑ Accreditation process being managed by ANSI
  - Linked to ISO process
- ❑ List of accredited verifiers can be found on our web site at [www.theclimateregistry.org](http://www.theclimateregistry.org)
- ❑ More verifiers going through process now



# Value of Verification

- *Verification is a vital part of the reporting process because it:*
  - Ensures that an inventory is complete, transparent, and accurate
  - Provides accountability to stakeholders
    - Places credible data in the public domain
  - Relates to mandatory reporting requirements
    - Demonstrates required compliance
    - Establishes monitored compliance
  
- *What will you learn from Verification?*
  - Identify errors in a voluntary context without financial or legal penalties
  - Improve your data management systems
  - Link your costs to your organizational efficiency & performance
  - Have confidence in the quality of your data before it meets the public eye





# How to participate:

## Step Three – Publish

- ❑ Publish your data publicly on the Registry's website
- ❑ Includes facility data
  - May request exemption so that data is aggregated to state level
- ❑ Your annual public report may include other information you wish to report about environmental efforts, programs and reduction targets



# Benefits for Members/Reporters

1. **A cost effective means to track/manage GHG emissions**
  - “Can’t manage what you don’t measure”
2. **Access to software and technical support**
3. **Document early actions**
4. **Prepare for mandatory state/federal reporting**
5. **Education for employees on GHG emissions**
6. **Recognition as a global environmental leader**
7. **Get a seat at the table on policy development**



CARBON DISCLOSURE PROJECT



“I already report  
to \_\_\_\_\_”

## ■ Why The Climate Registry vs. other programs?



The Climate Registry

# The Registry is the most robust reporting program

PROGRAM	Participants	Purpose	Reporting Level	Organizational Boundaries	Emissions Scope	Third-Party Verification
<b>DOE 1605b</b>	Varies: includes facilities and entities	Varies: entity inventories, reductions	Entity Level (starting 2007)	Determined by Participant	Scope 1 (Indirect Optional)	Optional
<b>EPA Climate Leaders</b>	US Corporations	Corporate reduction goals	Entity Level	Determined by Participant	Scope 1 & 2; (Scope 3 Optional)	Optional
<b>Carbon Disclosure Project (CDP)</b>	large-cap publicly traded companies	Report Scope 1 & 2 (split by Annex B & non-Annex B)	Determined by Participant	Determined by Participant	Determined by Participant	Reporters choose, verification suggested
<b>Chicago Climate Exchange</b>	Varies: includes US and International companies	Private Exchange Emission reduction trading	Entity, Facility or Project Level	Equity Share	Scope 1 (Indirect Optional)	Required (Performed by Finra)
<b>The Climate Registry</b>	<b>North American Organizations</b>	<b>Public Entity-wide GHG registry</b>	<b>Entity-wide at Facility Level</b>	<b>Equity share, financial and/or operational control</b>	<b>Scope 1 &amp; 2 (Scope 3 optional)</b>	<b>Required</b>

# Costs of Participation

**Annual Participation Fee**

**Verification Cost**

**Staff time**



# Climate Registry Fee Structure

## *Commercial and Industrial Organizations with Revenues:*

Over \$2 billion .....	\$10,000
From \$500 million - \$2 billion .....	\$6,000
From \$100 million - \$500 million .....	\$3,500
From \$20 million - \$100 million .....	\$1,700
Under \$20 million .....	\$600

## *Non-profit, Government and Academic Organizations with Budgets:*

Over \$2 billion .....	\$5,000
From \$500 million - \$2 billion .....	\$3,500
From \$100 million - \$500 million .....	\$2,500
From \$20 million - \$100 million .....	\$850
Under \$20 million .....	\$450



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# Verification Costs

**Costs will vary with:**

- 1. Quality of data and management systems**
- 2. Organization of data**
- 3. Size and complexity of operations**



# Registry Tools

- General Reporting Protocol
- General Verification Protocol
- **C**limate **R**egistry **I**nformation **S**ystem (**CRIS**)  
*Online GHG calculation, reporting, and verification tool*
- Reporter technical help line
- Regular web-based training





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# **We want you to be successful!**

**“You can’t manage what you haven’t measured”**



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# For More Information:

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